

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Reexamination Application of:  
Lee Macklin et al.

Application No.: 10/052,608

Confirmation No.: 2966

Filed: January 18, 2002

Art Unit: 3692

For: SYSTEM AND METHOD OF WEB BASED  
NON-WAGE COMPENSATION

Examiner: J. W. Newton

**APPEAL BRIEF**

MS Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

As required under 37 C.F.R. § 41.37(a), this brief is filed within two months of the Notice of Appeal filed in this case on November 15, 2007, and is in furtherance of said Notice of Appeal.

The fees required under 37 C.F.R. § 41.20(b)(2) are dealt with in the accompanying TRANSMITTAL OF APPEAL BRIEF.

This brief contains items under the following headings as required by 37 C.F.R. § 41.37 and M.P.E.P. § 1205.02:

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I. REAL PARTY IN INTEREST

The real party in interest for this appeal is:

Hewlett-Packard Development Company, L.P., a Limited Partnership established under the laws of the State of Texas and having a principal place of business at 20555 S.H. 249, Houston, TX 77070, U.S.A. (hereinafter “HPDC”). HPDC is a Texas limited partnership and is a wholly-owned affiliate of Hewlett-Packard Company, a Delaware Corporation, headquartered in Palo Alto, CA. The general or managing partner of HPDC is HPQ Holdings, LLC.

II. RELATED APPEALS AND INTERFERENCES

There are no other appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board’s decision in this appeal.

III. STATUS OF CLAIMS

A. Total Number of Claims in the Application

There are 23 claims pending in application.

B. Current Status of Claims

- 1. Claims canceled: none
- 2. Claims withdrawn from consideration but not canceled: none
- 3. Claims pending: 1-23
- 4. Claims allowed: none
- 5. Claims rejected: 1-23

### C. Claims On Appeal

The claims on appeal are claims 1-23.

## IV. STATUS OF AMENDMENTS

Appellants did not file an Amendment After Final Rejection.

## V. SUMMARY OF CLAIMED SUBJECT MATTER

The following provides a concise explanation of the subject matter defined in each independent claim involved in the appeal, referring to the specification by page and line number and to the drawings by reference characters, as required by 37 C.F.R. § 41.37(c)(1)(v). Each element of the claims is identified by a corresponding reference to the specification and drawings where applicable. However, the citation to passages in the specification and drawings does not imply that the limitations from the specification and drawings should be read into the corresponding claim element.

According to one claimed embodiment of the present invention, such as that of independent claim 1, a network based payment processing system (e.g. page 3, line 21 – page 4, line 3; Fig. 1; page 7, line 22 – page 8, line 18; Fig. 3) comprising: an input process configured to receive disbursement requests, (e.g. page 3, lines 27 – 28; Fig. 1, 101; page 7, lines 22 – 24; Fig. 3, 302) an authorization process (e.g. page 3, line 8 – page 5, line 2; page 8, lines 3 – 6; Fig. 3, 303) configured to apply predetermined rules to control verifying proper authorization of said disbursement requests, an accounting process (e.g. page 5, lines 4 – 19; page 8, lines 4 – 8; Fig. 3, 304) configured to track parameters pertaining to the fulfillment of authorized ones of said disbursement requests, and an output process (page 8, lines 8 – 11; Fig. 3, 305) configured to process said disbursement requests for payment.

According to one claimed embodiment of the present invention, such as that of independent claim 10, a network based method of disbursing funds (e.g. page 3, line 21 – page 4, line 3; Fig. 1; page 7, line 22 – page 8, line 18; Fig. 3), said network based method including the steps of: receiving a disbursement request (e.g. page 5, line 23 – page 6 line 2; page 3, lines 27 –

28; Fig. 1, 101; page 7, lines 22 – 24; Fig. 3, 302); applying predetermined rules to authorize said disbursement request (e.g. page 3, line 8 – page 5, line 2; page 8, lines 3 – 6; Fig. 3, 303; page 7, lines 1 – 10; Fig. 2, 211); supervising the proper approval based on applied ones of said authorization rules (e.g. page 4, lines 23 – 28; page 7, lines 1 – 10; Fig. 2, 212, 213) tracking available funds from which said disbursement is to be drawn (e.g. page 8, lines 6 – 11); and processing said disbursement for payment (e.g. page 8, lines 13 – 18).

According to one claimed embodiment of the present invention, such as that of independent claim 19, a payment system comprising: a web server (e.g. page 3, lines 25 – 27; Fig. 1, 104) configured to host a payment processing site for receiving payment requests; an authorization module (e.g. page 8, lines 1 – 6; Fig. 3, 303) configured to control proper authorization of said payment requests to provide approved payments; an accounting module configured to verify fund availability and to track fund disbursement in connection with said approved payments; and a payment module (e.g. page 8, lines 8 – 11; Fig. 3, 305) configured to initiate payment to recipients designated in connection with said approved payments in response to said verification of fund availability and said proper authorization.

## VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

- A. Claims 21 – 23 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.
- B. Claims 1 – 3, 8, 9 and 21 are rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent 5,893,080 (filed Jul. 25, 1995, issued Apr. 6, 1999) to McGurl et al. (hereinafter “McGurl”).
- C. Claims 10 – 20 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 6,401,079 (filed Oct. 1, 1999, issued Jun. 4, 2002) to Kahn et al. (hereinafter “Kahn”).
- D. Claim 4 is rejected under 35 U.S.C. § 103(a) as being unpatentable over McGurl and further in view of Kahn.
- E. Claim 5 is rejected under 35 U.S.C. § 103(a) as being unpatentable over McGurl and further in view of U.S. Patent 6,032,133 (filed Nov. 3, 1995, issued February 29, 2000) to Hilt (hereinafter “Hilt”).

- F. Claim 6 is rejected under 35 U.S.C. § 103(a) as being unpatentable over McGurl and further in view of Kahn.
- G. Claim 7 is rejected under 35 U.S.C. § 103(a) as being unpatentable over McGurl and further in view of Kahn.

## VII. ARGUMENT

### A. Rejection of claims 21 – 23 under 35 U.S.C. § 112

Claims 21 – 23 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Appellee asserts that there is not sufficient support in the original Disclosure as originally filed for the limitations in claims 21 – 23. Final Office Action, page 2. Appellee has also instructed that the limitations be cancelled from the claims. *Id.* at page 3. “[T]he examiner has the initial burden of presenting evidence or reasons why persons skilled in the art would not recognize in [the] specification disclosure a description of the invention defined by the claims.” *Ex parte Sorenson*, 3 USPQ2d 1462, 1463 (B.P.A.I. 1987). “Adequate description under the first paragraph of 35 U.S.C. 112 does not require *literal* support for the claimed invention. . . . Rather, it is sufficient if the originally-filed disclosure would have conveyed to one having ordinary skill in the art that an appellant had possession of the concept of what is claimed.” *Ex parte Parks*, 30 USPQ2d 1234, 1236 (B.P.A.I. 1994).

In rejecting claims 21 – 23 under 35 U.S.C. § 112, Appellee does not provide any evidence or reason why the written description does not reasonably convey the subject matter of claims 21 – 23 to one skilled in the art. Instead, Appellee summarily states:

Upon review of the application, and in particular the noted portions, the Examiner has been unable to find support for the limitations of the newly added claims sufficient enough to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Final Office Action, page 11.

It must be noted that a verbatim recitation, in the specification, of claims 21 – 23 is not necessary for the written description requirement to be met. *See Parks*, 30 USPQ2d at 1236.

Appellants submit that one skilled in the art, having read paragraphs [0013] and [0014]; Fig. 2, items 204, 211 and 212 would conclude that claims 21 – 23 are properly supported in the original disclosure. Specifically, the Specification recites, “Such rules may include a requirement to verify . . . that the requestor is authorized to initiate non-wage compensation, that the requestor and the recipient are not the same individual.” Paragraph [0013]. The specification further recites, “[T]he request may be forwarded to a second individual for approval. If the request is forwarded to a second individual for approval, non-wage compensation system 105 may forward the request . . . for . . . approval from the second individual. The request may be further routed to other required or alternate approval mechanisms, authorities and/or personnel as necessary and defined by a predetermined authorization policy, rules, and/or procedures.” Paragraph [0014].

Further, in Fig. 2, item 211 determines whether “Requestor can approve?” If the requestor can approve, the system proceeds to item 207. If the requestor cannot approve, Item 212 “send[s]request to authorized individual.” In effect, therefore, when the system determines whether the requestor can approve or not, the system is determining whether approval from an individual other than the requestor is required. Considering the complete disclosure—the specification, drawings and claims as originally filed—one skilled in the art would find support for claims 21 – 23 in the original disclosure. Because Appellee has provided no evidence or reason why one skilled in the art would not conclude that Appellants had possession of the inventions as claimed in claims 21 – 23 at the time of the original disclosure, Appellee has not made a prima facie case of failure to meet the written description. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 112, of claims 21 – 23.

B. Rejection of claims 1 – 3, 8, 9 and 21 under 35 U.S.C. § 102(b)

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). “The identical invention must be shown in as complete detail as is contained in the . . . claim.” *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

“The elements must be arranged as required by the claim . . .” M.P.E.P. § 2131 citing *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990). The current rejections of claims 1 – 3, 8 and 9 do not show that the applied art teach all the limitations or that the asserted elements of the applied art are arranged as required by claims 1 – 3, 8 and 9. The failure of the applied art to teach all the limitations of the rejected claims is discussed below.

#### 1. Claim 1

Claim 1 stands rejected under 35 U.S.C. § 102(b) as being anticipated by McGurl. Claim 1, recites, “an authorization process configured to apply predetermined rules to control verifying proper authorization of said disbursement requests . . .” Appellee cites to McGurl, col. 4, lines 18 – 23; col. 6, lines 6 – 13 and 28 – 32 as teaching this limitation of claim 1. Final Office Action, page 4. Further, Appellee asserts, “For the disbursement [in McGurl] to be effected, the requests must correspond to ‘disbursement criteria’ in a database 20 . . . . If such a correspondence exists, the disbursement request is processed . . . .” Final Office Action, page 12. Appellee, however, has failed to show that McGurl teaches “an authorization process configured . . . to control verifying proper authorization of said disbursement requests . . .” . The process in McGurl, on which Appellee relies, merely ensures that the McGurl system has enough information (disbursement criteria) to process a disbursement request. If enough information does not exist to process the disbursement request, “the user may be prompted by the preview means 30 . . . to supply the missing information . . . .” Col. 4, lines 39 – 41. This procedure, in McGurl, of ensuring that any missing information is eventually provided does not disclose an authorization process to control verifying proper authorization of disbursement requests.

Additionally, in asserting that McGurl teaches the authorization process of claim 1, Examiner states, “the system of McGurl comprises a “monitoring means 28” for monitoring the system in use . . . If the monitoring means detects a “fault condition,” it prevents the effectuation of the disbursement.” Final Office Action, pages 12 – 13. The monitoring means of McGurl does not teach “an authorization process configured . . . to control verifying proper authorization of said disbursement requests.” Rather, monitoring means 28 monitors disbursement commands.

In other words, McGurl's monitoring means occurs after the McGurl system automatically generates disbursement commands from the disbursement request rather than verifying proper authorization of the disbursement request. *See* Fig. 1, items 18 and 28 and Fig. 2, items 58, 60, 62 and 64 (showing McGurl's monitoring of the disbursement command); col. 2, lines 53 – 55 (providing “means are provided for **automatically** generating a payment disbursement based upon the [user defined disbursement] criteria and request.” (emphasis added)). Here, Examiner has not shown the identical invention of claim 1 or that the elements of McGurl being asserted are arranged as claim 1. Absent a teaching in McGurl of “an authorization process configured to . . . control verifying proper authorization of said disbursement requests . . .” Appellee has not shown that McGurl teaches all the limitations of claim 1.

Furthermore, McGurl does not teach an accounting process as required by claim 1. Examiner relies on col. 5, lines 36 – 41, col. 6 lines 28 – 32 and col. 6 lines 39 – 41 as teaching an accounting process configured to track parameters pertaining to the fulfillment of authorized ones of said disbursement requests. However, col. 5, lines 36 – 41 teaches that the information used to generate the disbursement is stored in a database. Col. 6, lines 28 – 32 teaches the functioning of the system is monitored and if it is found to be improper, disbursement is aborted and the user notified of the failure condition. Col. 6, lines 39 – 41, describes storing the disbursements in a disbursement log. These portions of McGurl, individually or together, do not teach an accounting process as limited in claim 1.

To appreciate that McGurl does not teach the accounting process of claim 1, it must be noted that claim 1 requires an accounting process configured to track parameters pertaining to the fulfillment of authorized ones of the disbursement requests. Merely to store disbursement information, as the cited portions of McGurl describes, is not the same as to track parameters pertaining to the fulfillment of authorized ones of the disbursement requests. In fact, McGurl explicitly provides that the storing of information on which Examiner relies is used for audit purposes as follows: “After disbursement has been effectuated, the information used to generate the disbursement is stored in database means 20 for later retrieval, auditing, and/or use in reports generated by audit generating means . . . .”



Col. 5, lines 36 – 41. There is no teaching in McGurl that the audit process tracks parameters pertaining to the fulfillment of authorized ones of the disbursement requests. Therefore, the mere storage of information in McGurl does not teach, “an accounting process configured to track parameters pertaining to the fulfillment of authorized ones of said disbursement requests . . . .”

Because McGurl does not teach the authorization and accounting processes recited in claim 1, McGurl does not anticipate claim 1 under 35 U.S.C. § 102(b). Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 102(b), of claim 1.

2. Claims 2, 3, 8, and 9.

Claims 2, 3, 8 and 9 stand rejected under 35 U.S.C. § 102(b) as being anticipated by McGurl. Claims 2, 3, 8 and 9 depend from claim 1 and therefore inherit the limitations of claim 1. As discussed above, McGurl does not teach all the limitations of claim 1. Therefore, McGurl does not teach all the limitations of claims 2, 3, 8 and 9. Claims 2, 3, 8 and 9 are, therefore, patentable. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 102(b), of claims 2, 3, 8 and 9.

3. Claim 21

Claim 21 recites, “wherein at least one individual originates said disbursement requests and said authorization process includes a determination whether approval is required from at least one individual different from said at least one individual that originates said disbursement requests.” Appellee cites to McGurl, col. 4, lines 16 – 32 as teaching this limitation of claim 21. Final Office Action, page 5. The cited portion of McGurl discloses that individual disbursement requests are entered into the system and then “Generator means 18 automatically generates an individual payment disbursement . . . .” In this cited portion of McGurl there is no disclosure that the authorization process includes a determination whether approval is required from at least one individual different from the at least one individual that originates the disbursement requests. Rather, McGurl discloses that

the payment disbursement is automatically generated. Moreover, Appellee asserts that “a second individual” is “the generator means 18” of Kahn. Appellants submit that “the generator means 18” does not teach “a second individual” as Appellee asserts. In sum, Appellee has not shown that Kahn teaches all the limitations of claim 21. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 102(b), of claim 21.

C. Rejection of claims 10 – 20 under 35 U.S.C. § 102(e)

Claims 10 – 20 are rejected under 35 U.S.C. § 102(e) as being anticipated by Kahn. The rejections of claims 10 – 20 are discussed below.

1. Claim 10

Claim 10 recites, “applying predetermined rules to authorize said disbursement request . . . .” Appellee cites to the Abstract and col. 15, lines 20 – 31 of Kahn as teaching this limitation of claim 1. Final Office Action, page 14. However, the Abstract and col. 15, lines 20 – 31 do not teach this limitation of claim 10. The Abstract and col. 15, lines 20 – 31, teach that tax related and employment related rules for various federal, state and local jurisdictions are used to compute the amount to be disbursed. Rules for computing the amount of the disbursement do not disclose rules that authorize the disbursement request. Additionally, Appellee asserts:

Kahn discloses a system for web-based payroll administration (see title), and explicitly recites, “the system’s back-end payroll service functionally generates disbursement information for payments . . . subject to compliance with the system’s database of rules (abstract, lines 33 – 39) . . . and further ‘effects such transfers at the appropriate times’ (col. 6, lines 8 – 13).

Final Office Action, page 14.

Appellee’s citation to Kahn, col. 6, lines 8 - 13 and assertions regarding this citation do not show the limitation at issue is taught by Kahn for at least two reasons. First, the abstract, of which Appellee relies, provides that disbursement information is generated

subject to database rules. The disbursement of information subject to database rules does not teach applying predetermined rules to authorize the disbursement request. Second, the citation to col. 6, lines 8 – 13 involves effecting transfers at appropriate times and does not involve applying predetermined rules to authorize the disbursement request. Contrary to Appellee's assertions, the rules disclosed in col. 6 of Kahn are rules related to calculating the amount of disbursement. *See* col 6, lines 1 – 13. Therefore, Appellee has not shown Kahn teaches the limitation of claim 10 requiring applying predetermined rules to authorize the disbursement request.

Claim 10 also recites, “supervising the proper approval based on applied ones of said authorization rules . . . .” Appellee cites to col. 5, lines 25 – 35 of Kahn for this limitation of claim 10. However, this portion of Kahn merely teaches the implementation of tax related and employment related rules that affect the amount disbursed, as opposed to applying authorization rules as required in claim 10.

In sum, Kahn, as cited by Appellee, does not teach all the limitations of claim 10 and thus does not anticipate claim 10. Accordingly, Appellant respectfully requests that the Board reverse the rejection, under 35 U.S.C. § 102(e), of claim 10.

## 2. Claims 11 – 18

Claims 11 – 18 depend from claim 10 and therefore inherit the limitations of claim 10. As discussed above, Kahn does not teach all the limitations of claim 10. Therefore, Kahn does not teach all the limitations of claims 11 – 18. At least for this reason, claims 11 – 18 are patentable. Moreover, claims 11 – 18 recite new and unobvious limitations. Some of these limitations are discussed below.

### a. Claim 13

Claim 13 recites, “wherein one of said predetermined rules denies authorization of said request when a requesting party is identical to a receiving party.” Appellee cites to Kahn, col. 48, lines 9 – 14; and col. 5, lines 47 – 51 as teaching this limitation of claim 13.

Final Office Action, page 6. However, none of these citations to Kahn teaches the limitation of claim 13 at issue. First, col. 48, lines 9 – 14 teaches that an employee's timesheet must be approved before the employee's paycheck can be approved and printing of the paycheck after the paycheck is approved. Second, col. 5, lines 47 – 51 teaches that the Kahn system may be used by employees to specify payments to be made to third-party payees and as a centralized bill payment system for their personal bills. These two teachings of Kahn, individually or together, do not teach predetermined rules denies authorization of the request when a requesting party is identical to a receiving party. Accordingly, Appellee has not shown that Kahn teaches all the limitations of claim 13.

b. Claim 14

Claim 14 recites, "wherein one of said predetermined rules denies authorization of said request when said request exceeds a maximum authorization amount." Appellee cites to Kahn, col. 14; lines 56 – 59 as teaching this limitation of claim 14. Final Office Action, page 6. The cited portion of Kahn, however, merely teaches checking that the calculated overtime hours do not exceed any overtime limits applicable to the employee. Merely checking overtime hours to ensure overtime limits are not exceeded, as described in Kahn, does not teach predetermined rules denies authorization of the request when the request exceeds a maximum authorization amount.

c. Claim 15

Claim 15 recites, "wherein one of said predetermined rules denies authorization of said request when said request is not complete." Appellee cites to Kahn, col. 17, lines 64 – 67; col. 18, lines 1 – 10; and col. 40, lines 29 – 36 as teaching this limitation of claim 15. Office Action, page 6. These citations to Kahn, however, merely describe inputting of employee information to the Kahn system. These citations to Kahn do not teach the limitations of claim 15 requiring predetermined rules denies authorization of the request when the request is not complete.

d. Summary

In sum, Appellee has not shown that Kahn teaches all the limitations of claims 11 – 18 . Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 102(e), of claims 11 – 18.

3. Claim 19

Claim 19 stands rejected under 35 U.S.C. § 102(e) as being anticipated by Kahn. Claim 19 recites, “an authorization module configured to control proper authorization of said payment requests to provide approved payments . . . .” Appellee cites to col. 54, lines 54 – 56; col. 55 lines 1 – 46; and col. 56 lines 46 – 50 as teaching this limitation of claim 19. Appellants submit that these cited portions of Kahn do not teach the limitation of claim 19 at issue for at least three reasons.

First, col. 54 lines 54 – 56 is the preamble to claim 6 that recites, “A method for interactive payroll-related calculations . . . .” This citation to Kahn does not teach an authorization module configured to control proper authorization. Second, col. 55, lines 1 – 46, does not teach an authorization module. Rather, consistent with the preamble of claim 6, this citation teaches a method for performing calculations, communicating the results of the calculations to the employer, reviewing the data by the employer and the making of necessary modifications by the employer.

Third, col. 56, lines 46 – 50 teaches that the employer indicates when there are no more errors to correct. Thus, the process in Kahn, on which Examiner relies, is directed only to ensuring the amount to be paid is correct and does not involve ensuring proper authorization of payment requests to provide approved payments, as required in claim 19.

Appellee makes an additional assertion to support the anticipation rejection of claim 19. Appellee states that a module is a component and then asserts:

Kahn teaches a system, wherein one component of the system (the ‘back-end service’) is configured to accept payment requests, for example, requests by

employees or requests for payments to retirement benefit providers . . . . The disbursements of the payments are 'subject to compliance with the . . . database of rules' . . . . Therefore, subject to the rules, the disbursement is either effected or not effected, that is, authorized or not authorized to proceed.

Final Office Action page 14 – page 15. Here, Appellee has pointed to a component of the Kahn system that accepts payment requests. However, Appellee has not identified, in Kahn, an authorization module configured to control proper authorization. Furthermore, the rules to which Appellee refers, are rules that do not pertain to proper authorization but rather to calculating the correct amount of the disbursement. Here, essentially, Appellee is asserting that rules used to determine the amount of the disbursement are authorization rules.

Appellants submit that Appellee has not shown an authorization module configured to control proper authorization of payment requests to provide approved payments by asserting rules pertaining to calculating the disbursement amount are authorization rules.

In sum, Appellee has failed to show Kahn teaches all the limitations of claim 19 and thus, that Kahn anticipates claim 19. Accordingly, Appellants respectfully request that the Board reverse the rejection of claim 19 under 35 U.S.C. § 102(e).

a. Claims 20, 22 and 23

Claims 20 and 23 each depend from claim 19 and inherit the limitations of claim 19. Claim 22 depends from claim 10. As discussed above, the applied art does not teach all the limitations of claims 10 or 19. For at least this reason, claims 20, 22 and 23 are patentable. Moreover, claims 20, 22 and 23 recite new and non-obvious limitations Appellee has not shown to be disclosed in the applied art. These limitations are discussed below.

i. Claim 20

Claim 20 recites, “wherein said authorization module includes a routing module configured to obtain authorization of said payment from a number of authorization entities.” Appellee cites to col. 54, lines 54 – 56; col. 55, lines 1 – 46; and col. 56, lines 46 – 50 as teaching this limitation of claim 20. However, the cited portions of Kahn merely disclose that

payroll data is shared between two employers. There is no teaching in the citations to Kahn that the authorization module includes a routing module configured to obtain authorization of the payment from a number of authorization entities.

ii. Claim 22

Claim 22 recites, “wherein at least one individual originates the disbursement request and said predetermined rules include determining whether approval is required from at least one individual different from said at least one individual originating the disbursement request.” Appellee cites to Kahn col. 5, lines 41 – 50, as teaching an individual originates the disbursement request. This portion of Kahn discloses that employees may specify payments to third party payees or as a centralized bill payment system. Then, Appellee cites to Fig. 43 and col. 49, lines 10 – 15 as teaching “determining whether approval is required from at least one individual different from said at least one individual originating the disbursement request.” However, these citations do not teach as Appellee asserts. Fig. 43 discloses that payroll must be funded before the Kahn system can transmit payroll check payments. Col. 49, lines 10 – 15 discloses how paycheck details may be viewed by a user. Appellant respectfully submits that these portions of Kahn, taken individually or together, do not teach the limitation of claim 22 requiring, “wherein at least one individual originates the disbursement request and said predetermined rules include determining whether approval is required from at least one individual different from said at least one individual originating the disbursement request.” Appellee has, therefore, failed to show that Kahn teaches all the limitations of claim 22.

b. Claim 23

Claim 23 recites “wherein at least one individual originates said payment request and said authorization module determines whether approval is required from at least one individual different from said at least one individual originating said payment request.” Appellee cites to Kahn, col. 5, lines 41 – 50 as teaching an individual originates the payment request. This portion of Kahn discloses that employees may specify payments to third party payees or as a centralized bill payment system. Then, Appellee cites to Fig. 43 and col. 49, lines 10 – 15 as teaching that

the “authorization module determines whether approval is required from at least one individual different from said at least one individual originating said payment request.” However, these citations do not teach as Appellee asserts. Fig. 43 discloses that payroll must be funded before the Kahn system can transmit payroll check payments. Col. 49, lines 10 – 15 discloses how paycheck details may be viewed by a user. Appellant respectfully submits that these portions of Kahn, taken individually or together, do not teach the limitation of claim 23 requiring, wherein at least one individual originates said payment request and said authorization module determines whether approval is required from at least one individual different from said at least one individual originating said payment request.

D. Rejections under 35 U.S.C. § 103(a)

The Examiner bears the initial burden of factually supporting any prima facie conclusion of obviousness. M.P.E.P. § 2142; *In re Peehs*, 612 F.2d 1287, 204 USPQ 835, 837 (CCPA 1980). In an obviousness rejection, “[u]nder § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.” *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 15 - 17 (1966). With regard to the claims rejected under 35 U.S.C. § 103(a) in the current application, the Office Actions do not show that claims 4 – 7 are obvious under the framework set out in *Graham*. Contrary to the requirements of *Graham*, the Office Actions do not reflect that the differences between the applied art and the claims at issue have been properly ascertained. The differences between the applied art and the claims are discussed below.

1. Claim 4

Claim 4, recites, “wherein said predetermined rules include a rule denying authorization when a disbursement request has a requesting party that is not different from a designated recipient specified in said disbursement request. Appellee concedes McGurl does not disclose this limitation of claim 4. Final Office Action, page 9. In attempting to address this deficiency of McGurl, Appellee cites to Kahn, col. 48, lines 9 – 14 and col. 5, lines 47 – 51. *Id.* However, none of these citations to Kahn teaches the limitation of claim 4 at issue.



First, col. 48, lines 9 – 14 teaches that an employee’s timesheet must be approved before the employee’s paycheck can be approved and printing of the paycheck after the paycheck is approved. Second, col. 5, lines 47 – 51 teaches that the Kahn system may be used by employees to specify payments to be made to third-party payees and as a centralized bill payment system for their personal bills. These two teachings of Kahn, individually or together, do not teach predetermined rules denies authorization of the request when a requesting party is identical to a receiving party. Therefore, not all the requirements established by *Graham*, for an obviousness rejection, have been met because the differences between the applied art and claim 4 have not been properly ascertained. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 103(a), of claim 4.

2. Claim 5

Claim 5 depends from claim 1 and inherits all the limitations of claim 1. As discussed above, Appellee has not shown that the applied art teaches all the limitations of claim 1. Therefore, for at least this reason, claim 5 is patentable. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 103(a), of claim 5.

3. Claim 6

Claim 6 recites. “wherein said accounting process includes logic for tracking multiple awards to a particular recipient.” Appellee concedes McGurl does not teach this limitation of claim 6. Final Office Action, page 10. In an attempt to address the conceded deficiency of McGurl, Appellee cites to Kahn col. 11, lines 57 – 65; and col. 12, lines 1 – 10 as teaching this limitation of claim 6. *Id.* The cited portions of Kahn, however, merely disclose types of employee data that an employer inputs into the Kahn system. There is no disclosure in the cited portions of Kahn that the accounting process includes logic for tracking multiple awards to a particular recipient. Therefore, not all the requirements established by *Graham*, for an obviousness rejection, have been met because the differences between the applied art and claim 6 have not been properly ascertained. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 103(a), of claim 6.

## 4. Claim 7

Claim 7 recites, “wherein said accounting process is further configured to track multiple funds corresponding to a plurality of disbursement categories.” Appellee concedes McGurl does not disclose this limitation of claim 7. In an attempt to address this conceded deficiency of McGurl, Appellee cites to Kahn col. 5, lines 1 – 12; and col. 6, lines 1 – 23. The cited portions of Kahn disclose the transfer of funds to tax authorities, benefit providers and miscellaneous payees. However, there is no disclosure in these portions of Kahn that the accounting process is configured to track multiple funds corresponding to a plurality of disbursement categories. Therefore, not all the requirements established by *Graham*, for an obviousness rejection, have been met because the differences between the applied art and claim 7 have not been properly ascertained. Accordingly, Appellants respectfully request that the Board reverse the rejection, under 35 U.S.C. § 103(a), of claim 7.

## VIII. CLAIMS APPENDIX

A copy of the claims involved in the present appeal is attached hereto as Claims Appendix.

## IX. EVIDENCE APPENDIX

No evidence pursuant to §§ 1.130, 1.131, or 1.132 or entered by or relied upon by the examiner is being submitted.

X. RELATED PROCEEDINGS APPENDIX

There are no related proceedings and consequently no copies of decisions rendered by a court or the Board in such proceedings.

Dated: January 14, 2008

Respectfully submitted,

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I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is being transmitted via the Office electronic filing system in accordance with § 1.6(a)(4).  
Dated: January 14, 2008  
Signature: Lorraine Davidoff  
(Lorraine Davidoff)

## **CLAIMS APPENDIX**

### **Pending Claims**

1. A network based payment processing system comprising:  
an input process configured to receive disbursement requests,  
an authorization process configured to apply predetermined rules to control verifying proper authorization of said disbursement requests,  
an accounting process configured to track parameters pertaining to the fulfillment of authorized ones of said disbursement requests, and  
an output process configured to process said disbursement requests for payment.
2. The network based payment processing system of claim 1 wherein said input process includes a communications interface to an intranet.
3. The network based payment processing system of claim 1 wherein said input process includes a graphical user interface.
4. The network based payment processing system of claim 1 wherein said predetermined rules include a rule denying authorization when a disbursement request has a requesting party that is not different from a designated recipient specified in said disbursement request.
5. The network based payment processing system of claim 1 wherein said predetermined rules include a rule denying authorization when a disbursement request has exceeded a limit.
6. The network based payment processing system of claim 1 wherein said accounting process includes logic for tracking multiple awards to a particular recipient.

7. The network based payment processing system of claim 1 wherein said accounting process is further configured to track multiple funds corresponding to a plurality of disbursement categories.

8. The network based payment processing system of claim 1 wherein said output process is further configured to initiate an electronic fund transfer to effect said payment to a recipient.

9. The network based payment processing system of claim 1 wherein said output process is further configured to generate a negotiable instrument in a tangible form to effect said payment to a recipient.

10. A network based method of disbursing funds, said network based method including the steps of:

- receiving a disbursement request;
- applying predetermined rules to authorize said disbursement request;
- supervising the proper approval based on applied ones of said authorization rules;
- tracking available funds from which said disbursement is to be drawn; and
- processing said disbursement for payment.

11. The method of claim 10 wherein said disbursement receiving step includes the step of receiving said request over an intranet.

12. The method of claim 10 further including the step of presenting a graphical user interface to said requesting party.

13. The method of claim 10 wherein one of said predetermined rules denies authorization of said request when a requesting party is identical to a receiving party.

14. The method of claim 10 wherein one of said predetermined rules denies authorization of said request when said request exceeds a maximum authorization amount.

15. The method of claim 10 wherein one of said predetermined rules denies authorization of said request when said request is not complete.

16. The method of claim 10 wherein said step of tracking includes the step of tracking a plurality of disbursement categories.

17. The method of claim 10 further including the step of transferring a payment via electronic fund transfer.

18. The method of claim 10 further including the step of generating a negotiable instrument in a tangible form to effect said payment to a recipient.

19. A payment system comprising:  
a web server configured to host a payment processing site for receiving payment requests;  
an authorization module configured to control proper authorization of said payment requests to provide approved payments;  
an accounting module configured to verify fund availability and to track fund disbursement in connection with said approved payments; and  
a payment module configured to initiate payment to recipients designated in connection with said approved payments in response to said verification of fund availability and said proper authorization.

20. The payment system of claim 19 wherein said authorization module includes a routing module configured to obtain authorization of said payment from a number of authorization entities.

21. The network based payment processing system of claim 1, wherein at least one individual originates said disbursement requests and said authorization process includes a determination whether approval is required from at least one individual different from said at least one individual that originates said disbursement requests.

22. The method of claim 10 wherein at least one individual originates the disbursement request and said predetermined rules include determining whether approval is required from at least one individual different from said at least one individual originating the disbursement request.

23. The payment system of claim 19 wherein at least one individual originates said payment request and said authorization module determines whether approval is required from at least one individual different from said at least one individual originating said payment request.

**EVIDENCE APPENDIX**

No evidence pursuant to §§ 1.130, 1.131 and 1.132 or entered by and relied upon by the examiner is being submitted.



**RELATED PROCEEDINGS APPENDIX**

There are no related proceedings and consequently no copies of decisions rendered by a court or the Board in such proceedings.